

TOWNSHIP OF TILDEN
NATIONAL MINE, MICHIGAN
FINANCIAL STATEMENTS
For the Year ended March 31, 2006

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Tilden Township	County Marquette
Fiscal Year End March 31, 2006	Opinion Date August 18, 2006	Date Audit Report Submitted to State October 30, 2006	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☒ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

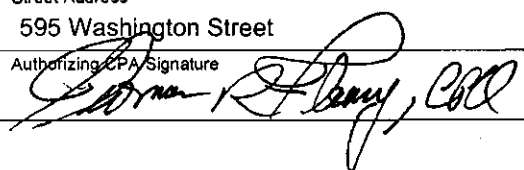
We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Thomas R. Fleury, C.P.A.		Telephone Number 906 486-4496	
Street Address 595 Washington Street		City Ishpeming	State MI
Zip 49849			
Authorizing CPA Signature 	Printed Name Thomas R. Fleury, C.P.A.		License Number 1101008087

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Michigan Association of C.P.A.'s

INDEPENDENT AUDITOR'S REPORT

August 18, 2006

The Honorable Supervisor and Members
Township of Tilden Board
Marquette County, Michigan

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the TOWNSHIP OF TILDEN as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted by the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for an opinion.

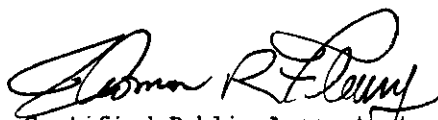
In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the TOWNSHIP OF TILDEN as of March 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in the footnotes, the TOWNSHIP OF TILDEN has implemented a new financial reporting model, as required by the provisions of GASB No. 34, Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments, as amended and interpreted as of March 31, 2006.

In accordance with Government Auditing Standards, I have also issued my report dated August 18, 2006, on my consideration of the Townships internal control over financial reporting and on my test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in considering the results of my audit.

The budgetary comparison information on pages 18 through 21 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the TOWNSHIP OF TILDEN's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of the TOWNSHIP OF TILDEN taken as a whole. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


Certified Public Accountant

TOWNSHIP OF TILDEN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the Township of Tilden, Michigan's financial performance provides an overview of the Township's financial activities for the year ended March 31, 2006. Please read it in conjunction with the financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

The Township's net assets are being reported under GASB 34 for the second year and comparisons with prior years have been included. Comparative information has been presented in various schedules throughout the "Management's Discussion and Analysis".

Net assets for the Township as a whole increased by \$52,157 which is about one and one half percent of the previous years net assets.

During the year, The Township had expenses for governmental activities in the amount of \$409,449 and revenues in the amount of \$487,498.

The General Fund reported a net fund balance of \$641,896. The net change in the General Fund balance was an increase of \$36,356 which was \$40,301 more than projected.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (pages 11 and 12) provide information about the activities of the Township as a whole and presents a longer term view of the Township's finances. Fund financial statements start on page 13. For governmental activities, these statements relate how these services were financed in the short term as well as what remains for future funding of these services. Fund financial statements also report the Township's operation in more detail than the government-wide statements by providing information about the Township's most significant funds. The remaining statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside the government.

REPORTING THE TOWNSHIP AS A WHOLE

My analysis of the Township as a whole begins on page 7. One of the most important questions asked about the Township's finances is, "Is the Township as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Township as a whole and about its activities in a way that helps answer that question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the Township's net assets and changes in them. Over time, increases or decreases in the Township's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Township's population base and the condition of the Township's capital assets, to assess the overall financial health of the Township.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

REPORTING THE TOWNSHIP AS A WHOLE (Continued)

In the Statement of Net Assets and the Statement of Activities, the Township has two types of activities:

Governmental Activities - Most of the Township's basic services are reported here, including the legislative, elections, public safety, public works, recreation and culture, community and economic development and general services and administration. Property taxes, charges for services and State sources fund most of these activities.

Business Type Activities - The Township charges a fee to customers to help it cover most of the cost of certain services it provides. The Township provides water services for Township residents and charges a fee to cover the costs of operations.

REPORTING THE TOWNSHIP'S MOST SIGNIFICANT FUNDS

My analysis of the Township's major funds begins on page 9. The fund financial statements begin on page 13 and provided detailed information on the most significant funds but not the Township as a whole. Some funds are required to be established by State law and by bond covenants. However, the Township establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using taxes, grants, and other money. The Township's two kinds of funds (Governmental and Proprietary) use different accounting methods.

Governmental Funds - Most of the Township's services are reported in governmental funds, which focuses on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements provide a detailed short term view of the Township's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. I describe the relationship (or differences) between governmental activities reported in the Statement of Net Assets and Statement of Activities and governmental funds in a reconciliation which follows the fund financial statements.

Proprietary Funds - When the Township charges customers for the services it provides, those services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are in the Statement of Net Assets and the Statement of Activities. In fact, the Township's enterprise funds (a component of proprietary funds) are the same as the business type activities I report in the governmental wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

THE TOWNSHIP AS TRUSTEE

The Township is the trustee, or fiduciary, for assets that, because of a trust arrangement can be used only for the trust beneficiaries. All of the fiduciary activities are reported in a separate Statement of Fiduciary Net Assets on page 17. I have excluded these activities from the other financial statements because the Township cannot use these assets to finance its operations.

THE TOWNSHIP AS A WHOLE

Table I provided a summary of the Township's net assets at March 31, 2006.

	Governmental Activities	Proprietary Activities	Total Primary Government
	-----	-----	-----
Current and other assets	\$ 1,382,959	\$ 224,011	\$ 1,606,970
Non current assets	407,612	2,251,370	2,658,982
	-----	-----	-----
Total Assets	\$ 1,790,571	\$ 2,475,381	\$ 4,265,952
	-----	-----	-----
Current liabilities	\$ 36,283	\$ 171,691	\$ 207,974
Non current liabilities	-	535,000	535,000
	-----	-----	-----
Total Liabilities	\$ 36,283	\$ 706,691	\$ 742,974
	-----	-----	-----
Net Assets:			
Invested in capital assets	\$ 407,612	\$ 1,716,370	\$ 2,123,982
Restricted	1,113,036	31,044	1,144,080
Unrestricted	233,640	21,276	254,916
	-----	-----	-----
Total Net Assets	\$ 1,754,288	\$ 1,768,690	\$ 3,522,978
	=====	=====	=====

Net assets of the Township's governmental activities stood at \$1,754,288. Unrestricted net assets - the part of net assets that could be used to finance day to day activities without constraints established by debt covenants, enabling legislation or other legal requirements stood at \$1,346,676.

The \$233,640 in unrestricted net assets, of governmental activities represents the accumulated results of all past years' operations. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year.

The results of this year's operation for the Township as a whole are reported in the Statement of Activities (See Table 2), which shows the changes in net assets for the fiscal year ended March 31, 2006.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

Table 2 - Changes in Net Assets

	Governmental Activities	Business Type Activities	Total Primary Government
	-----	-----	-----
Revenues:			
Program Revenues:			
Charges for services	\$ 7,291	\$ 79,991	\$ 87,282
General Revenues:			
Property taxes	355,083	-	355,083
Intergovernmental	72,268	-	72,268
Other	52,856	287	53,143
	-----	-----	-----
Total Revenues	\$ 487,498	\$ 80,278	\$ 567,776
	-----	-----	-----
Program Expenses:			
Legislative	\$ 3,320	\$ -	\$ 3,320
Elections	6	-	6
General Services			
and Administration	126,797	-	126,797
Public Safety	60,444	-	60,444
Public Works	148,248	106,170	254,418
Community and			
Economic Development	287	-	287
Recreation and Culture	2,092	-	2,092
Other	68,255	-	68,255
	-----	-----	-----
Total Expenses	\$ 409,449	\$ 106,170	\$ 515,619
	-----	-----	-----
Increase (decrease) in net assets	\$ 78,049	\$ (25,892)	\$ 52,157
Net assets, beginning	1,676,239	1,794,582	3,470,821
	-----	-----	-----
Net Assets, Ending	\$ 1,754,288	\$ 1,768,690	\$ 3,522,978
	=====	=====	=====

The Township's total revenues were \$567,776. The total cost of all programs and services was \$515,619, leaving an increase in net assets of \$52,157. My analysis below separately considers the operation of governmental activities:

GOVERNMENTAL ACTIVITIES

The net assets of the Township's governmental activities increased \$78,049 and the net assets of the Township's business type activities decreased \$25,892 for the year ended March 31, 2006.

The \$78,049 increase is made up of \$98,954 of net profit from governmental funds discussed later, less depreciation expense of \$20,905.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

THE TOWNSHIP'S FUNDS

As the Township completed the year, its governmental funds (as presented in the balance sheet on page 13) reported a combined fund balance of \$1,754,288 which is a \$78,049 increase from the beginning of the year.

The main reason that there was an increase from the beginning of the year was due to increased property taxes and improved interest earnings in the Road Fund and the Fire, Garbage, & Recreation Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Township Board reviewed and amended the originally adopted budget a few times.

Actual charges to expenditures were \$22,750 less than the final amended budget and actual revenues were \$17,553 more than the final budget projection.

Of the reduction of \$22,750 in budgeted expenditures, \$13,294 was for a savings in salaries and wages budgeted as part of the Township Assessor budget.

Of the increase of \$17,553 in budgeted revenues, \$12,720 was for the budget amount for Specific Ore Tax.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of March 31, 2006, the Township had \$2,658,993 invested in a variety of capital assets including land, building and improvements, equipment and vehicles as are detailed in Table 3 below:

Table 3 - Capital Assets at March 31, 2006 (Net of Depreciation)

	Governmental Activities	Business Type Activities	Total
	-----	-----	-----
Land	\$ 35,150	\$ 22,500	\$ 57,650
Land Improvements	55,740	2,228,870	2,284,610
Buildings and Improvements	297,103	-	297,103
Equipment and Furnishings	19,619	-	19,619
	-----	-----	-----
	\$ 407,612	\$ 2,251,370	\$ 2,658,982
	=====	=====	=====

The Township had additions to fixed assets during the current year in the amount of \$868,625 which included \$861,645 of construction costs for the water system. Depreciation expense for the year was \$20,905 in the governmental funds and \$40,007 in the business type activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

DEBT

At March 31, 2006, the Township had \$535,000 in bonds outstanding as detailed in Notes E and F to the financial statements.

ECONOMIC FACTORS FOR NEXT YEAR'S BUDGET

In preparing the Townships budget for the year ended March 31, 2007, we looked at the past year's budget as well as the last two complete years' actual revenues and expenditures and prepared our budget from these documents, with increases and decreases where necessary.

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Township of Tilden; 3414 County Road PG; Ishpeming, Michigan 49849-9602.

TOWNSHIP OF TILDEN
STATEMENT OF NET ASSETS
March 31, 2006

	Governmental Activities	Business Type Activities	Total
	-----	-----	-----
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 217,853	\$ 39,155	\$ 257,008
Investments	839,818	-	839,818
Receivables (net)	325,288	184,856	510,144
	-----	-----	-----
TOTAL CURRENT ASSETS	\$ 1,382,959	\$ 224,011	\$ 1,606,970
Non-current assets:			
Land	\$ 35,150	\$ 22,500	\$ 57,650
Other capital assets	542,877	2,350,051	2,892,928
Accumulated depreciation	(170,415)	(121,181)	(291,596)
	-----	-----	-----
TOTAL NON-CURRENT ASSETS	\$ 407,612	\$ 2,251,370	\$ 2,658,982
	-----	-----	-----
TOTAL ASSETS	\$ 1,790,571	\$ 2,475,381	\$ 4,265,952
	-----	-----	-----
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 19,482	\$ 136,899	\$ 156,381
Due to other funds	16,801	34,792	51,593
	-----	-----	-----
TOTAL CURRENT LIABILITIES	\$ 36,283	\$ 171,691	\$ 207,974
Long-term debt - Bonds payable	-	535,000	535,000
	-----	-----	-----
TOTAL LIABILITIES	\$ 36,283	\$ 706,691	\$ 742,974
NET ASSETS			
Invested in capital assets net of related debt	\$ 407,612	\$ 1,716,370	\$ 2,123,982
Restricted	1,113,036	31,044	1,144,080
Unrestricted	233,640	21,276	254,916
	-----	-----	-----
TOTAL NET ASSETS	\$ 1,754,288	\$ 1,768,690	\$ 3,522,978
	=====	=====	=====

The accompanying notes are an integral part of these statements.

TOWNSHIP OF TILDEN

STATEMENT OF ACTIVITIES

For the Year ended March 31, 2006

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Governmental Activities:					Primary Government
Legislative	\$ 3,320	\$ -	\$ -	\$ -	\$ 3,320
Elections	6	-	-	-	6
General services and administration	126,797	7,271	-	-	119,526
Public Safety	60,444	20	-	-	60,424
Public Works	148,248	-	-	-	148,248
Community and economic development	287	-	-	-	287
Recreation and culture	2,092	-	-	-	2,092
Other	68,255	-	-	-	68,255
Total Governmental Activities	\$ 409,449	\$ 7,291	\$ -	\$ -	\$ 402,158
TOTAL PRIMARY GOVERNMENT	\$ 409,449	\$ 7,291	\$ -	\$ -	\$ 402,158
General Revenues:					
Taxes					\$ 355,083
Intergovernmental					72,268
Other					52,856
TOTAL GENERAL REVENUES					\$ 480,207
CHANGE IN NET ASSETS					\$ 78,049
Net assets, beginning of year					1,676,239
NET ASSETS, END OF YEAR					\$ 1,754,288

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF TILDEN

GOVERNMENTAL FUNDS

BALANCE SHEET

March 31, 2006

	General Fund	Road Fund	Fire Garbage Rec. Fund	Total Governmental Funds
	-----	-----	-----	-----
ASSETS				
Cash and cash equivalents	\$ 110,405	\$ 47,178	\$ 60,270	\$ 217,853
Investments	-	839,818	-	839,818
Receivables	2,948	-	-	2,948
Taxes receivable	2,777	2,111	2,021	6,909
Due from other funds	132,332	101,947	81,152	315,431
Non-current assets	407,612	-	-	407,612
	-----	-----	-----	-----
TOTAL ASSETS	\$ 656,074	\$ 991,054	\$ 143,443	\$ 1,790,571
	=====	=====	=====	=====
LIABILITIES AND FUND BALANCE				
LIABILITIES:				
Accounts payable	\$ 9,152	\$ 2,942	\$ 7,388	\$ 19,482
Due to other funds	5,670	11,131	-	16,801
	-----	-----	-----	-----
TOTAL LIABILITIES	\$ 14,822	\$ 14,073	\$ 7,388	\$ 36,283
FUND BALANCE:				
Invested in capital assets	\$ 407,612	\$ -	\$ -	\$ 407,612
Restricted	-	976,981	136,055	1,113,036
Unrestricted	233,640	-	-	233,640
	-----	-----	-----	-----
TOTAL FUND BALANCE	\$ 641,252	\$ 976,981	\$ 136,055	\$ 1,754,288
	-----	-----	-----	-----
TOTAL LIABILITIES AND FUND BALANCE	\$ 656,074	\$ 991,054	\$ 143,443	\$ 1,790,571
	=====	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF TILDEN

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS

March 31, 2006

Total Fund Balances for Governmental Funds	\$ 1,346,676
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Amounts reported for governmental activities in the statement
of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	407,612

NET ASSETS OF GOVERNMENTAL FUNDS	\$ 939,064
	=====

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF TILDEN

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Year ended March 31, 2006

	General Fund	Road Fund	Fire Garbage Rec. Fund	Total Governmental Funds
	-----	-----	-----	-----
Revenues:				
Taxes	\$ 171,502	\$ 93,773	\$ 89,808	\$ 355,083
Intergovernmental	72,268	-	-	72,268
Other	16,798	40,426	2,923	60,147
	-----	-----	-----	-----
TOTAL REVENUES	\$ 260,568	\$ 134,199	\$ 92,731	\$ 487,498
Expenditures:				
Township board	\$ 3,320	\$ -	\$ -	\$ 3,320
Supervisor	8,265	-	-	8,265
Election expense	6	-	-	6
Assessor	26,586	-	-	26,586
Clerk	8,882	-	-	8,882
Board of review	297	-	-	297
Treasurer	12,726	-	-	12,726
Township Hall	48,970	-	-	48,970
Garage and vehicles	21,071	-	-	21,071
Police protection	-	33,446	-	33,446
Fire protection	-	-	26,948	26,948
Sanitation	-	-	48,346	48,346
Animal control	50	-	-	50
Planning and zoning	287	-	-	287
Highways and streets	24,460	75,442	-	99,902
Parks and recreation	1,037	-	1,055	2,092
Other	68,255	-	-	68,255
	-----	-----	-----	-----
TOTAL EXPENDITURES	\$ 224,212	\$ 108,888	\$ 76,349	\$ 409,449
EXCESS REVENUES (EXPENDITURES)	\$ 36,356	\$ 25,311	\$ 16,382	\$ 78,049
Fund balance at beginning of year	604,896	951,670	119,673	1,676,239
	-----	-----	-----	-----
FUND BALANCE AT END OF YEAR	\$ 641,252	\$ 976,981	\$ 136,055	\$ 1,754,288
	=====	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF TILDEN

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year ended March 31, 2006

Net Change in Fund Balances - Total Governmental Funds \$ 106,899

Amounts reported for governmental activities in the statement
of activities are different because:

Governmental funds report capital outlays such as expenditures.
However, in the statement of activities, the cost of those
assets is allocated over their estimated useful lives as
depreciation expense. This is the amount by which capital
outlays exceeded depreciation in the current period.

Capital outlays	\$ 6,980	
Depreciation expense	(21,905)	(14,925)
	-----	-----

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 91,974
=====

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF TILDEN
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS

March 31, 2006

	Trust and Agency	Current Tax Collection Account	Total
	-----	-----	-----
ASSETS			
Cash and cash equivalents	\$ 334	\$ 339,151	\$ 339,485
	-----	-----	-----
TOTAL ASSETS	\$ 334	\$ 339,151	\$ 339,485
	=====	=====	=====
LIABILITIES			
Due to general fund	\$ 334	\$ 115,894	\$ 116,228
Due to special revenue funds	-	147,611	147,611
Due to other government units	-	75,372	75,372
Other	-	274	274
	-----	-----	-----
TOTAL LIABILITIES	\$ 334	\$ 339,151	\$ 339,485
	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF TILDEN
NOTES TO FINANCIAL STATEMENTS

March 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of the Township of Tilden:

1. Financial Reporting Entity

In accordance with the provisions of the Governmental Accounting Standards Board Statement No. 14 entitled "The Financial Reporting Entity" a governmental financial reporting entity consists of a primary government, such as a general purpose local government, and component units, which are defined as units for which the primary government is financially accountable. The primary government is financially accountable if it appoints a voting majority of a component's governing body, and there is a potential for the component unit to provide certain financial benefits to, or impose certain financial burdens on, the primary government.

As required by accounting principles generally accepted by the United States of America, the financial statements of the reporting entity includes those of the Township of Ely (the primary government). However, there are no units which qualify as component units as defined above.

2. Fund Accounting

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The various funds are grouped in the financial statements in this report as follows:

Governmental Funds:

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Proprietary Funds:

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Fiduciary Funds:

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Township as an agent for other governmental units and other funds. These agency funds are custodial in nature and do not involve measurement or results of operations.

Account Groups:

General Long-Term Debt Account Group - This account group presents the balance of general obligation long-term debt which is not recorded in proprietary funds.

3. Measurement Focus

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their unreserved fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations are accounted for in the general governmental fund type at original cost minus accumulated depreciation. The book value of these assets is reported as "Reserved Fund Balance" in the general governmental fund type.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activities are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary funds balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. Fixed assets and their related accumulated depreciation, by major classification are as follows:

	Cost	Accumulated Depr.	Current Depr.	Estimated Lives
Water Distribution System	\$2,319,051	\$ 90,181	\$ 37,407	40 years
Machinery and Equipment	\$ 31,000	\$ 31,000	\$ 2,600	10-40 years

4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

All governmental funds are accounted for using the full accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the full accrual basis of accounting when the related fund liability is incurred.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Agency Funds are accounted for using the cash basis of accounting. Since Agency Funds do not involve measurement of results of operations, there are no revenue or expenditure accounts.

5. Budgets and Budgetary Accounting

The township follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. In February, the Township Supervisor submits to the Township Board, a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
- b. A public hearing is conducted to obtain taxpayer comments.
- c. Prior to April 1, the budget is legally enacted by resolution.
- d. Any revision that alters the original budget of any fund must be approved by the Township Board.
- e. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.
- f. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles.
- g. Budget appropriations lapse at the end of each fiscal year.
- h. Budgeted amounts are stated as originally adopted or as amended by the Township Board.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the governmental unit.

Investments are stated at cost or amortized cost.

7. Inventory

Inventories are not significant and have not been recognized in any of the funds.

8. Due from Other Funds

Due from other funds represents current interfund loans receivable and are considered "available spendable resources."

9. Accumulated Unpaid Vacation and Sick Leave

The Township does not allow employees to accumulate unused vacation. Sick Leave may be accumulated up to a maximum of 30 days. At March 31 2006, accumulated sick leave amounted to \$ 3,278. This amount is shown as a liability in the General Long-Term Debt Account Group.

10. Fund Balance Reserves

Fund balance reserves in the General Fund total \$62,670 and represent amounts to be used for capital outlay and budget stabilization.

Fund balance reserves in the Special Revenue Funds represent amounts reserved in the Road Fund for payment of the long-term bonds to the Marquette County Solid Waste Management Authority and the long-term contracts payable to the Marquette County Road Commission.

11. Total Columns on Combined Statements

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE B - CASH AND INVESTMENTS

The captions on the combined balance sheet relating to cash, investments, restricted assets and the amounts in the total "Memorandum Only" are as follows:

Total (Memorandum Only)	
Cash in bank	\$ 718,763
Investments	717,548

Total	\$1,436,311
	=====
A summary of deposits by type are:	
Cash in demand accounts	\$ 284
Cash in savings accounts	540,783
Certificates of deposit	177,696
Investments	717,548

Total	\$1,436,311
	=====

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

These deposits are in two financial institutions located in the County of Marquette in varying amounts. All accounts are in the name of the Township and a specific fund or common account. They are recorded in Township records at cost. Interest is recorded when the deposits mature or is credited to the applicable account.

Statutory Authority

Act 217, PA 1982, authorizes the Township to deposit and invest in:

- (a) bonds and other direct obligations of the United States or its agencies.
- (b) certificates of deposit, savings accounts, deposit accounts, or depository receipts of federally insured banks, insured savings and loan associations or credit unions insured by the national credit union administration that are eligible to be depository of surplus money belonging to the State under Section 5 or 6 of Act 105, PA 1855, as amended (MCL 21.145 and 21.146).
- (c) commercial paper rated at time of purchase within the three highest classifications established by not less than two standard rating services. Maturity cannot be more than 270 days after purchase and not more than 50 percent of any fund may be invested in commercial paper at any time.
- (d) United States government or federal agency obligation repurchase agreements.
- (e) banker's acceptance of United States banks.
- (f) mutual funds composed of investments which are legal for direct investments by local units of government in Michigan.

The Township's investments are in accordance with statutory authority.

Michigan law (Section 3, Act 40, PA 1932, as amended) prohibits security in the form of collateral, surety bond, or another form for the deposit of public money.

At year end, the Township's cash and cash equivalents bank balance was \$718,763 of which \$323,632 was insured by the Federal Deposit Insurance Corporation (FDIC) Regulation number 330.8. The remaining balance of \$395,131 was uninsured and uncollateralized. This regulation in summary provides that deposits of a governmental unit are insured for the lesser of the amount of the combined deposits or \$100,000 demand deposits and \$100,000 time deposits in every financial institution, that is not a branch location and is a member of the FDIC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Investments

Investments made by the Township are summarized below. The investments that are represented by specific identifiable investments securities are classified as to credit risk within the following two categories:

Category 1: Insured or registered, or securities held by the Township or its agent in the Township's name.

Category 2: Uninsured and unregistered with securities held by the counterparty's trust department or agent in the Township's name.

Investment Type	Risk Category		Carrying Value	Market Value
	1	2		
Governmental Funds:				
Certificates of Deposit	\$ 177,696	\$ -	\$ 177,696	\$ 177,696
U.S. Government Securities	717,548	-	717,548	701,342
Total Investments	<u>\$ 895,244</u>	<u>\$ -</u>	<u>\$ 895,244</u>	<u>\$ 879,038</u>

NOTE C - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets is as follows:

	Balance April 1, 2005	Additions	Retirements	Balance March 31, 2006
Land	\$ 35,150	\$ -	\$ -	\$ 35,150
Landscaping	71,922	-	-	71,922
Township Hall	162,542	6,980	-	169,522
Township Garage	31,160	-	-	31,160
Recreation Building and Facilities	180,006	-	-	180,006
Vehicles	16,185	-	-	16,185
Machinery and Equipment	28,244	-	-	28,244
Office Furniture and Equipment	31,638	-	-	31,638
Maintenance Equipment	4,000	-	-	4,000
Voting Mach's & Software	10,200	-	-	10,200
	<u>\$ 571,047</u>	<u>\$ 6,980</u>	<u>\$ -</u>	<u>\$ 578,027</u>
Less accumulated depreciation				<u>170,415</u>
BOOK VALUE OF CAPITAL ASSETS				<u>\$ 407,612</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE E - CHANGES IN LONG-TERM DEBT

Long-term debt at March 31, 2006 consisted of:

	Balance April 1, 2005	Additions	Deductions	Balance March 31, 2006
	-----	-----	-----	-----
Accrued sick leave	\$ 3,180	\$ 2,065	\$ 1,967	\$ 3,278
Water Bonds	-	540,000	5,000	535,000
	-----	-----	-----	-----
Totals	\$ 3,180	\$ 542,065	\$ 6,967	\$ 538,278
	=====	=====	=====	=====

NOTE F - WATER SUPPLY SYSTEM REVENUE BOND

The Township adopted Ordinance No. 18 authorizing the issuance of Water Supply System Revenue Bonds. The original amount of the revenue bonds was \$540,000. Amortization of the bonds, paying interest at 4.25% per annum and maturing on August 1st of each year, are payable as follows:

\$ 6,000	2006 to 2009, inclusive	\$ 24,000
7,000	2010 to 2013, inclusive	28,000
8,000	2014 to 2016, inclusive	24,000
9,000	2017 to 2018, inclusive	18,000
10,000	2019 to 2021, inclusive	30,000
11,000	2022 to 2023, inclusive	22,000
12,000	2024 to 2025, inclusive	24,000
13,000	2026 to 2027, inclusive	26,000
14,000	2028 to 2029, inclusive	28,000
15,000	2030	15,000
16,000	2031 to 2032, inclusive	32,000
17,000	2033	17,000
18,000	2034	18,000
19,000	2035 to 2036, inclusive	38,000
20,000	2037	20,000
21,000	2038	21,000
22,000	2039	22,000
23,000	2040	23,000
24,000	2041	24,000
25,000	2042	25,000
26,000	2043	26,000
30,000	2044	30,000

TOTAL BONDS PAYABLE		\$ 535,000
		=====

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE G - LONG-TERM CONTRACTS PAYABLE

The Township enters into contracts for road reconstruction with the Marquette County Road Commission. Terms of the contracts call for the Marquette County Road Commission to upgrade specified county roads with the Township paying a percentage of the actual costs over a three year period. During the year ended March 31, 2006 there were no payments made to the Marquette County Road Commission.

The Township normally budgets for these payments annually and records them as an expenditure in the year paid.

NOTE H - PROPERTY TAXES

Property taxes are levied on December 1. The Township collects its own property taxes until mid February at which time collection is turned over to Marquette County.

The State Equalized Valuation for the Township was \$ 36,788,635.

The tax rates levied for the year ended March 31, 2006, on a taxable valuation of \$18,113,247 were as follows:

	Millage Rate/M	Amount
	-----	-----
General Operating	1.3037	\$ 23,609
Road Fund	.9909	17,943
Fire, Garbage, and Recreation	.9490	17,184

NOTE I - RETIREMENT PLAN

The township adopted a Simplified Pension Plan (SEP) in January of 1985. All employees that have worked for the Township in three of the last five years and received over \$374 in compensation during the current year are eligible to participate. For the year ended March 31, 2006, the Township contributed five percent of the gross pay for all eligible employees and elected officials which amounted to \$3,525.

NOTE J - RISK MANAGEMENT

The township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains insurance coverage through the Michigan Township Participating Plan which covers each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this coverage in any of the past three years.

TILDEN TOWNSHIP - GENERAL FUND
STATEMENT OF BUDGETED AND ACTUAL REVENUES
For the Year Ended March 31, 2006

	<u>Budget</u>	<u>Actual</u>
<u>GENERAL PROPERTY TAXES</u>		
Current tax collections	\$ 21,130	\$ 23,585
Specific ore tax	87,000	99,720
Swamplands tax	15,800	15,826
Commercial forest	200	328
Delinquent tax collections and interest	2,200	12
Administrative fees	40,000	32,031
	<hr/>	<hr/>
TOTAL GENERAL PROPERTY TAXES	\$ 166,330	\$ 171,502
	<hr/>	<hr/>
<u>INTERGOVERNMENTAL REVENUE</u>		
Sales tax	\$ 60,000	\$ 72,268
	<hr/>	<hr/>
TOTAL INTERGOVERNMENTAL REVENUES	\$ 60,000	\$ 72,268
	<hr/>	<hr/>
<u>OTHER REVENUES</u>		
Reimbursements	\$ 1,335	\$ 1,335
Dog licenses	-	20
Other charges for services	500	430
Hall rental	3,000	4,675
Interest on investments	4,000	3,771
Miscellaneous	7,850	6,567
	<hr/>	<hr/>
TOTAL OTHER REVENUES	\$ 16,685	\$ 16,798
	<hr/>	<hr/>
TOTAL REVENUES	\$ 243,015	\$ 260,568
	<hr/> <hr/>	<hr/> <hr/>

TILDEN TOWNSHIP - GENERAL FUND
STATEMENT OF BUDGETED AND ACTUAL EXPENDITURES
For the Year Ended March 31, 2006

	<u>Budget</u>	<u>Actual</u>
<u>TOWNSHIP BOARD</u>		
Salaries and wages	\$ 2,281	\$ 2,356
Printing and memberships	1,800	964
Miscellaneous	-	-
	<hr/>	<hr/>
TOTAL TOWNSHIP BOARD	\$ 4,081	\$ 3,320
	<hr/>	<hr/>
<u>TOWNSHIP SUPERVISOR</u>		
Salaries and wages	\$ 8,265	\$ 8,265
Travel	-	-
Miscellaneous	-	-
	<hr/>	<hr/>
TOTAL TOWNSHIP SUPERVISOR	\$ 8,265	\$ 8,265
	<hr/>	<hr/>
<u>ELECTIONS</u>		
Salaries and wages	\$ 400	\$ -
Miscellaneous	1,100	6
	<hr/>	<hr/>
TOTAL ELECTIONS	\$ 1,500	\$ 6
	<hr/>	<hr/>
<u>ASSESSOR</u>		
Salaries and wages	\$ 38,700	\$ 25,406
Office supplies	500	466
Dues and memberships	250	265
Travel	400	259
Miscellaneous	200	190
	<hr/>	<hr/>
TOTAL ASSESSOR	\$ 40,050	\$ 26,586
	<hr/>	<hr/>
<u>TOWNSHIP CLERK</u>		
Salaries and wages:		
Clerk	\$ 8,065	\$ 8,165
Deputy Clerk	1,000	625
Office supplies	100	72
Travel	100	-
Miscellaneous	-	20
	<hr/>	<hr/>
TOTAL TOWNSHIP CLERK	\$ 9,265	\$ 8,882
	<hr/>	<hr/>

TILDEN TOWNSHIP - GENERAL FUND
STATEMENT OF BUDGETED AND ACTUAL EXPENDITURES (CONTINUED)
For the Year Ended March 31, 2006

	<u>Budget</u>	<u>Actual</u>
<u>BOARD OF REVIEW</u>		
Salaries and wages	\$ 362	\$ 210
Miscellaneous	150	87
	<hr/>	<hr/>
TOTAL BOARD OF REVIEW	\$ 512	\$ 297
	<hr/>	<hr/>
<u>TOWNSHIP TREASURER</u>		
Salaries and wages	\$ 8,785	\$ 8,420
Office supplies	4,500	4,306
Travel	100	-
Miscellaneous	50	-
	<hr/>	<hr/>
TOTAL TOWNSHIP TREASURER	\$ 13,435	\$ 12,726
	<hr/>	<hr/>
<u>TOWNSHIP HALL</u>		
Salaries and wages	\$ 30,000	\$ 27,630
Operating supplies	2,000	1,436
Office supplies	3,000	3,500
Repair and maintenance	4,000	3,943
Equipment rental	-	-
Travel	100	77
Telephone	3,000	2,485
Utilities	9,500	9,643
Miscellaneous	300	256
Capital outlay	6,980	-
	<hr/>	<hr/>
TOTAL TOWNSHIP HALL	\$ 58,880	\$ 48,970
	<hr/>	<hr/>
<u>GARAGE AND VEHICLES</u>		
Salaries and wages	\$ 13,000	\$ 10,759
Operating supplies	3,000	997
Vehicle expense	4,000	2,374
Repair and maintenance	1,000	1,627
Utilities and telephone	3,600	5,314
Miscellaneous	-	-
Capital outlay	-	-
	<hr/>	<hr/>
TOTAL GARAGE AND VEHICLES	\$ 24,600	\$ 21,071
	<hr/>	<hr/>

TILDEN TOWNSHIP - GENERAL FUND

STATEMENT OF BUDGETED AND ACTUAL EXPENDITURES (CONTINUED)

For the Year Ended March 31, 2006

	<u>Budget</u>	<u>Actual</u>
<u>ANIMAL CONTROL</u>		
Salaries and wages	\$ -	\$ -
Other	50	50
TOTAL ANIMAL CONTROL	\$ 50	\$ 50
<u>PLANNING AND ZONING</u>		
Salaries and wages	\$ 250	\$ 65
Operating supplies	250	222
TOTAL PLANNING AND ZONING	\$ 500	\$ 287
<u>HIGHWAYS AND STREETS</u>		
Contractual services	\$ 25,000	\$ 24,460
TOTAL HIGHWAYS AND STREETS	\$ 25,000	\$ 24,460
<u>PARKS AND RECREATION</u>		
Salaries and wages	\$ 2,500	\$ 1,037
TOTAL PARKS AND RECREATION	\$ 2,500	\$ 1,037
<u>OTHER</u>		
Social security taxes	\$ 8,700	\$ 7,121
Unemployment compensation	3,000	3,971
Employee benefits	12,400	6,276
Pension	4,500	2,548
Insurance and bonds	18,100	18,033
Professional fees	6,900	6,611
Community promotion	-	-
Provision for depreciation	-	20,905
Miscellaneous	4,722	2,788
TOTAL OTHER	\$ 58,322	\$ 68,253
TOTAL EXPENDITURES	\$ 246,960	\$ 224,210

TOWNSHIP OF TILDEN

SPECIAL REVENUE FUNDS

BALANCE SHEET

March 31, 2006

	Road Fund	Fire Garbage Recreation	Total
	-----	-----	-----
ASSETS			
Cash on hand and in banks	\$ 47,178	\$ 60,270	\$ 107,448
Investments	839,818	-	839,818
Delinquent taxes receivable	2,111	2,021	4,132
Due from other funds:			
General Fund	-	5,670	5,670
Water Fund	26,564	2,123	28,687
Road Fund	-	1,131	1,131
Fiduciary Account	75,383	72,228	147,611
	-----	-----	-----
TOTAL ASSETS	\$ 991,054	\$ 143,443	\$1,134,497
	=====	=====	=====
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 2,942	\$ 5,988	\$ 8,930
Deferred income	-	1,400	1,400
Due to other funds:			
General Fund	10,000	-	10,000
Road Fund	1,131	-	1,131
	-----	-----	-----
TOTAL LIABILITIES	\$ 14,073	\$ 7,388	\$ 21,461
Fund Balance:			
Unreserved	\$ 137,163	136,055	\$ 273,218
Reserved	839,818	-	839,818
	-----	-----	-----
TOTAL FUND BALANCE	\$ 976,981	\$ 136,055	\$1,113,036
	-----	-----	-----
TOTAL LIABILITES AND FUND BALANCE	\$ 991,054	\$ 143,443	\$1,134,497
	=====	=====	=====

TOWNSHIP OF TILDEN

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCES

Year ended March 31, 2006

	Road Fund	Fire Garbage Recreation	Total
	-----	-----	-----
INCOME			
Current tax collections	\$ 17,970	\$ 17,210	\$ 35,180
Specific ore tax	75,794	72,589	148,383
Delinquent tax collections and interest	9	9	18
Interest on investments	40,426	1,948	42,374
Other income	-	975	975
	-----	-----	-----
TOTAL INCOME	\$ 134,199	\$ 92,731	\$ 226,930
EXPENSES			
Sanitation:			
Contractual services	\$ -	\$ 23,494	\$ 23,494
Landfill	-	236	236
Transfer station	-	24,616	24,616
Streets and roads:			
Improvements	75,131	-	75,131
Police protection	33,446	-	33,446
Other	310	-	310
Fire:			
Contractual services	-	21,588	21,588
Hydrant rental	-	4,008	4,008
Other	-	1,352	1,352
Parks and recreation	-	1,054	1,054
	-----	-----	-----
TOTAL EXPENSES	\$ 108,887	\$ 76,348	\$ 185,235
	-----	-----	-----
NET INCOME (LOSS)	\$ 25,312	\$ 16,383	\$ 41,695
Fund balance at April 1, 2005	951,669	119,672	1,071,341
	-----	-----	-----
FUND BALANCE AT MARCH 31, 2006	\$ 976,981	\$ 136,055	\$1,113,036
	=====	=====	=====

TOWNSHIP OF TILDEN - WATER FUND

**STATEMENT OF INCOME, EXPENSES, AND CHANGES
IN RETAINED EARNINGS - BUDGET AND ACTUAL**

For the Year Ended March 31, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
	-----	-----	-----
OPERATING INCOME - Water charges	\$ 76,610	\$ 79,991	\$ 3,381
OPERATING EXPENSES			
Salaries and wages	\$ 27,890	\$ 21,691	\$ 6,199
Payroll taxes	2,700	1,787	913
Pension	1,450	977	473
Operating supplies	3,000	838	2,162
Water purchases and testing	3,000	2,803	197
Utilities and telephone	15,500	11,291	4,209
Repair and maintenance	2,000	1,197	803
Other operating expenses	4,600	2,735	1,865
Provision for depreciation	-	40,007	(40,007)
	-----	-----	-----
TOTAL OPERATING EXPENSES	\$ 60,140	\$ 83,326	\$ (23,186)
	-----	-----	-----
OPERATING PROFIT (LOSS)	\$ 16,470	\$ (3,335)	\$ (19,805)
NON-OPERATING REVENUES (EXPENSES)			
Interest on investments	\$ 100	\$ 287	\$ 187
Interest on bonds	(22,900)	(22,844)	56
	-----	-----	-----
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$ (22,800)	\$ (22,557)	\$ 243
	-----	-----	-----
NET INCOME (LOSS)	\$ (6,330)	\$ (25,892)	\$ (19,562)
	=====	=====	=====
Retained earnings at April 1, 2005		177,582	

RETAINED EARNINGS AT MARCH 31, 2006		\$ 151,690	
		=====	

TILDEN TOWNSHIP - WATER FUND
 COMBINED STATEMENT OF CASH FLOWS -
 ALL PROPRIETARY FUND TYPES
 For the Year Ended March 31, 2006

	<u>Proprietary Fund Types</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Net Income (Loss) for the year	\$(25,893)
Adjustments to reconcile net income to net cash provided by operating activities:	
Provision for depreciation	\$(40,007)
(Increase) decrease in accounts receivable	726,833
Increase (decrease) in accounts payable	135,534
Increase (decrease) due to other funds	5,000
	<hr/>
TOTAL ADJUSTMENTS	\$ 827,360
	<hr/>
NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES	\$ 801,467
	<hr/>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Acquisition of fixed assets	\$(781,630)
	<hr/>
NET CASH (USED) FOR INVESTING ACTIVITIES	\$(781,630)
	<hr/>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>	
Increase (decrease) in reserve accounts	\$(11,235)
Principal payments on long-term debt	(5,000)
	<hr/>
NET CASH PROVIDED BY FINANCING ACTIVITIES	\$(16,235)
	<hr/>
NET INCREASE IN CASH	\$ 3,602
Cash balance at April 1, 2005	4,509
	<hr/>
CASH BALANCE AT MARCH 31, 2006	\$ 8,111
	<hr/>

TOWNSHIP OF TILDEN
FIDUCIARY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
March 31, 2006

	Agency Funds		
	Trust and Agency	Current Tax Collection	Totals
ASSETS			
Cash - demand deposits	\$ 334.32	\$339,150.88	\$339,485.20
	-----	-----	-----
TOTAL ASSETS	\$ 334.32	\$339,150.88	\$339,485.20
	=====	=====	=====
LIABILITIES			
Accrued and withheld payroll taxes	\$ -	\$ -	\$ -
Due to General Fund	334.32	115,893.51	116,227.83
Due to Special Revenue Funds	-	147,611.43	147,611.43
Due to other governmental units	-	75,371.74	75,371.74
Other	-	274.20	274.20
	-----	-----	-----
TOTAL LIABILITIES	\$ 334.32	\$339,150.88	\$339,485.20
	=====	=====	=====

TOWNSHIP OF TILDEN

FIDUCIARY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year ended March 31, 2006

	Balance at April 1, 2005	Additions	Deductions	Balance at March 31, 2006
	-----	-----	-----	-----
TRUST AND AGENCY ACCOUNT				
ASSETS				
Cash	\$ 158.64	\$ 637.58	\$ 462.00	\$ 334.22
	=====	=====	=====	=====
LIABILITIES				
Due to General Fund	\$ 158.64	\$ 175.58	\$ -	\$ 334.32
Due to State of Michigan	-	-	-	-
Due to County	-	462.00	462.00	-
Due to Schools	-	-	-	-
Other	-	-	-	-
	-----	-----	-----	-----
TOTAL LIABILITIES	\$ 158.64	\$ 637.58	\$ 462.00	\$ 334.32
	=====	=====	=====	=====
CURRENT TAX COLLECTION ACCOUNT				
ASSETS				
Cash	\$ 8,031.61	\$2,715,248.66	\$2,384,129.39	\$ 339,150.88
	=====	=====	=====	=====
LIABILITIES				
Due to General Fund	\$ 8,031.61	\$ 156,028.81	\$ 48,166.91	\$ 115,893.51
Due to Special Revenue Funds	-	179,473.83	31,862.40	147,611.43
Due to State of Michigan	-	813,182.89	737,811.15	75 371.74
Due to County	-	709,447.17	709,447.17	-
Due to Schools	-	856,424.83	856,424.83	-
Other	-	691.13	416.93	274.20
	-----	-----	-----	-----
TOTAL LIABILITIES	\$ 8,031.61	\$2,715,248.66	\$2,384,129.39	\$ 339,150.88
	=====	=====	=====	=====

THOMAS R. FLEURY
Certified Public Accountant

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595 Washington Street
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Ishpeming, Michigan

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American Institute of C.P.A.'s
Michigan Association of C.P.A.'s

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

September 3, 2006

The Honorable Supervisor and Members
Township of Tilden Board
Marquette County, Michigan

I have audited the accompanying general purpose financial statements of the TOWNSHIP OF TILDEN as of and for the year ended March 31, 2006, and have issued my report thereon dated September 3, 2006. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States.

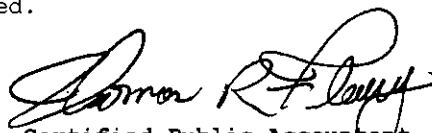
Compliance

As part of obtaining reasonable assurance about whether the Township of Tilden, State of Michigan's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under "Government Auditing Standards" and a report to management communicating immaterial instances of noncompliance was not required.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Township of Tilden, State of Michigan's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass through entities. However, this report is a matter of public record and its distribution is not limited.


Certified Public Accountant

TOWNSHIP OF TILDEN

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended March 31, 2006

Federal Grantor -----	Federal CFDA Number -----	Federal Expenditures -----
U.S. Department of Agriculture - Rural Development	10.760	\$ 861,295 -----
Total Expenditures of Federal Awards		\$ 861,295 =====

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the TOWNSHIP OF TILDEN and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. The amounts reported in this schedule do not differ from amounts presented in, or used in the preparation of, the basic financial statements.

Expenditures for the year ended March 31, 2005 amounted to \$ 1,261,274. The project was substantially completed at March 31, 2006.

THOMAS R. FLEURY
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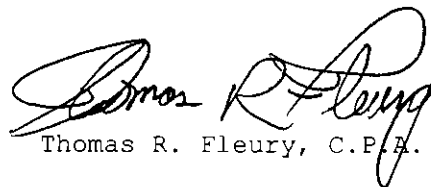
August 18, 2006

The Honorable Supervisor and
Members of the Township Board
Township of Tilden
National Mine, Michigan

I have audited the financial statements of the Township of Tilden for the year ended March 31, 2006 and have issued my report thereon dated August 18, 2006. As part of my audit, I made a study and evaluation of the internal accounting control system to the extent I considered necessary to determine the nature, timing and extent of my auditing procedures. During my evaluation, I did not observe any areas that require improvement or change in order to improve internal accounting controls.

I did however observe an area that requires attention. Property taxes collected by the Township are required to be distributed within ten business days from the fifteenth of the month and the end of the month. At March 31, 2006, there were still undistributed tax money payable to the General Fund, the Road Fund, the Fire, Garbage & Recreation Fund, and the State of Michigan. All monies due to the County and Schools had been distributed on time.

Sincerely,



Thomas R. Fleury, C.P.A.